

Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554

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In the Matter of )

Inquiry Concerning the Deployment )  
of Advanced Telecommunications )  
Capability to All Americans in a )  
Reasonable and Timely Fashion, )  
and Possible Steps to Accelerate )  
Such Deployment Pursuant to )  
Section 706 of the )  
Telecommunications Act of 1996 )

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FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

CC Docket No. 98-146

**REPLY COMMENTS OF THE  
EDUCATION AND LIBRARY NETWORKS COALITION**

**Introduction**

The Education and Library Networks Coalition ("EDLINC")<sup>1</sup> submits these Reply Comments pursuant to the Commission's Notice of Inquiry (the "NOI") in the above-captioned docket. EDLINC wishes to emphasize both the relationship between Section 706 and Section 254, and the ways in which they differ, as illustrated by the comments of various parties.

**I. SECTION 706 EMPHASIZES BOTH THE IMPORTANCE AND THE LIMITATIONS OF THE COMMISSION'S SCHOOL AND LIBRARY DISCOUNT PROGRAM.**

As the NOI recognizes, there is a strong interrelationship between Section 706 and Section 254. Universal service has always been a means of extending the scope of the national telecommunications network, in the process bringing new services to new users and creating new

<sup>1</sup> The members of EDLINC are listed in the attached Appendix.

revenue streams for providers. The rules adopted by the Commission pursuant to Section 254 do the same: they create the opportunity for schools and libraries to develop into a large new market for telecommunications services and information services of all kinds. To serve those markets, new facilities will be required and additional capabilities will be made available to users other than schools and libraries. Consequently, Section 254 and Section 706 have complementary goals. While some providers may balk, assuming that any policy that deviates from their own business plans must be flawed, the Commission's role is to find effective ways of serving the interests of the public as a whole.

The Comments of the National Telephone Cooperative Association ("NTCA") illustrate the complementarity between universal service for schools and libraries and the goals of Section 706. According to NTCA, many rural telephone companies have found that the largest demand for broadband services comes not from businesses or residences, but from schools. NTCA Comments at 2. Furthermore, cost to the customer is a significant obstacle to the deployment of the kinds of networks needed to deliver advanced services. *Id.* at 40. Without the universal service discounts, schools and libraries would be unable to afford advanced services precisely because there is so little demand for them. In many areas, therefore, the universal service program can do much to accomplish the goals of Section 706 merely by lowering the cost of services. Schools and libraries can also serve as catalysts by increasing demand in an otherwise marginal area to the point that it is profitable to extend service to other users. Consequently, we agree with AT&T's statement that universal service will facilitate advanced telecommunications deployment. AT&T Comments at 53.

For this reason, the Commission should do everything possible to maintain and strengthen universal service. Continuing assaults on universal service will only make the Commission's implementation of Section 706 more difficult.

On the other hand, contrary to AT&T's suggestion, the universal service program is not sufficient to implement Section 706. *Id.* at 54.<sup>2</sup> While universal service may serve as a framework for expanding advanced capabilities throughout the nation, universal service alone will not accomplish the goals of Section 706, for several reasons. First, the educational discounts are limited to commercially-available telecommunications services, Internet access and internal connections. It is not necessarily clear that all the services capable of being provided using "advanced telecommunications capability" fall within those three categories. Second, the term "commercially-available" could be construed as applying only to services actually available in a given geographic area. Under this interpretation of the Commission's rules, universal service can do little to extend capabilities into new areas. On the other hand, if the Commission were to clarify that schools and libraries are eligible for services that are commercially-available anywhere in the country, all schools and libraries would have access to the most advanced services, thus promoting the expansion of networks into underserved areas. Third, for the universal service program to promote advanced infrastructure development, funding levels must be restored to the original level of \$2.25 billion per year. Current funding levels are insufficient to meet current demand for services, which correspondingly reduces the program's effectiveness.

The principal reason that universal service alone cannot meet the goals of Section 706 is that universal service does not offer providers direct incentives to upgrade the existing

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<sup>2</sup> Nor do we agree with AT&T's assertion that funding for universal service is "overly generous." Indeed, the extraordinary demand for the program demonstrates that it is badly needed, and that full funding at the original level is essential to its success.

telecommunications infrastructure. This lack of direct incentives complicates making advanced telecommunications capabilities available in many areas because market forces alone are insufficient. Providers are unwilling to make the capital investment needed to serve such areas if there are not enough potential users to ensure a profit. *See Universal Service Alliance Comments at 6.* This is a critical point, because some parties insist that the Commission should not address such disparities, arguing that if the market will not provide a service or capability, then provision of that service or capability in that location is simply not justified. *See USTA Comments at 3-6.* But the whole point of Section 706 is that Congress has set a policy that may require supplementing market forces -- or introducing incentives to stimulate those forces -- to meet a broader goal. Congress did not intend that users should be forced to move to areas where services are available. The intent of Congressional policy is to extend advanced capability to where people live, not vice versa.

Accordingly, the Commission should adopt policies that promote infrastructure development. The Commission should also adopt policies that more generally promote the availability of advanced services to schools and libraries. This would contribute to achieving the nation's goals for access to a wide range of educational services. Relying on market forces alone will greatly delay the provision of advanced services to many schools and libraries in low income and high cost areas and may even deny them access to services altogether.<sup>3</sup>

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<sup>3</sup> EDLINC represents the interests of schools and libraries. Rural health care providers, however, face many of the same barriers to access to advanced services as schools and libraries. Conversely, expanding infrastructure to meet the needs of rural health care providers may often benefit neighboring schools and libraries. EDLINC urges the Commission to consider the importance of providing advanced telecommunications capabilities to all three sets of institutions.

This is not to say that the Commission must engage in wholesale regulation of part or all of the industry. As discussed above, strengthening universal service would do much to extend advanced capabilities with no additional regulation to speak of. Furthermore, once the capabilities have been developed and the network extended, market forces will determine the most efficient means for providing services. *See* AOL Comments at 11. The effort now must concentrate on encouraging all kinds of providers to develop new markets.

## **II. THE COMMISSION SHOULD ADOPT A BROAD AND FLEXIBLE DEFINITION OF “ADVANCED TELECOMMUNICATIONS CAPABILITY.”**

We agree with the National Cable Television Association’s observation that “[t]he goal of Section 706 is investment in broadband infrastructure.” NCTA Comments at 23. We also agree with the many commenters that concluded that Congress meant to include access to the Internet within the scope of the term “advanced telecommunications capability.” *See, e.g.,* AOL Comments at 3; NCTA Comments at 11. We believe that Congress recognized that broadband technology is critically important to the effective use of modern telecommunications and information services. Congress further sought to remedy the disparity in capacity that generally exist between urban and rural areas and business and residential districts. Congress did not mean to refer to any particular technology or application, but instead meant to encourage growth of the infrastructure needed to support different technologies, applications, and services.

Schools and libraries need access to high speed, broadband capacity for many reasons. The cost savings and expansion of capabilities made possible by videoconferencing, distance learning, Internet access, and high speed data transfer are all critically important to schools and libraries everywhere, as the Commission recognized in the course of adopting its Section 254 rules. As the efficiency of the technology increases and new applications become possible, the

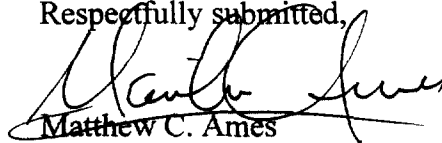
value added by educational technologies will only increase. Schools and libraries certainly need access to all the capabilities used by business users, although the mix of applications may vary. But the key point, once again, is access to the high speed and large capacity offered by broadband networks.

The Commission should therefore examine which technologies will be most useful in making broadband access available to all Americans, and promote incentives that accelerate widespread access to advanced services. We agree with NCTA and others who note that broadband capacity is growing rapidly and will continue to grow, even without Commission action. There is no question that the market is responding to the demand for new services and that new technology is being introduced. Schools and libraries have no preconceptions about how they should receive services, and are open to obtaining them from wireless providers, ILEC's, CLEC's, cable companies or a combination. But the difficulty is that many schools and libraries are located in areas where demand from other users is low. The purpose of Section 706 is to encourage deployment of capability on a "reasonable and timely basis;" the market may not meet that standard in many areas. Consequently, Commission action will be required to ensure that schools and libraries benefit equally from advanced telecommunications services.

## **Conclusion**

EDLINC urges the Commission to strengthen its universal service program and to concentrate on finding ways to extend broadband network capacity to every potential user in the country. In doing so, the Commission will fully accomplish the purposes of Section 706.

Respectfully submitted,



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## **Appendix: The Members of EdLiNC**

Alliance for Community Media  
American Association for Adult and Continuing Education  
American Association of Educational Service Agencies  
American Association of School Administrators  
American Library Association  
American Psychological Association  
Association for Education Communications and Technology  
Association for Supervision and Curriculum Development  
Association for the Advancement of Computing in Education  
Center for Media Education  
Consortium for School Networking  
Council for American Private Education  
Council of Chief State School Officers  
Education Legislative Services, Inc.  
Educational Testing Service  
Federation of Behavioral Psychological and Cognitive Sciences  
International Society for Telecommunications in Education  
International Telecomputing Consortium  
National Association of Counties  
National Association of Elementary School Principals  
National Association of Independent Schools  
National Association of Secondary School Principals  
National Association of State Boards of Education  
National Association of Student Financial Aid Administrators  
National Catholic Educational Association  
National Education Association  
National Grange  
National Rural Education Association  
National Rural Electric Cooperative Association  
National School Boards Association  
Organizations Concerned about Rural Education  
People for the American Way Action Fund  
United States Catholic Conference  
United States Distance Learning Association